Chessie's rail growth tracks down industry

By RICHARD GOLD

Fostered by industrial growth, and in large part responsible for it, the Chessie Railroad System has been a senior partner in the burgeoning growth of western Wayne County.

From its humble, fragmented origins as a logging railroad back in the 1960s when the northern portions of Michigan's lower peninsula were timber-rich, the Chessie System has become one of the largest transporters of industrial cargo in the country.

With assets of about $3 billion, the company has averaged an estimated $1 billion in gross revenues for each of the past five years.

And Trainmaster Larry Judd, chief operating officer for the portion of the Chessie System that services western Wayne County is quick to admit to the symbiotic relationship between the railroads and industry.

"It's a chicken-egg syndrome," he said. "We have been responsible for industry locating here, and they have contributed to our growth.

"As a company, we try to bring industry here. That's how we'll be able to grow."

In a time when much of the nation's rail system has been in decline, the Chessie System has grown, and Judd's prognosis is continued expansion.

Through consolidation, mergers and lean times, the Chessie System of today has emerged as the largest hauler of coal—"black gold"—in the country.

LOCALLY, it is the auto giants and related firms that provide the staple diet of the Chessie System.

There are almost 3,000 miles of mainline track in the state, from Grand Rapids to Detroit, and Bay City to the Ohio border.

The crossroads in the state is Plymouth—if a Chessie train is going across Michigan east to west, or north to south, the odds are it will pass through Plymouth for rerouting or reclassification.

More than 40 trains a day, 600-800 cars, keep 18 crews busy in the Plymouth yard, making it the railroad's focal point in the Detroit area.

From there, its tracks run east along the Schoolcraft corridor through Livonia and south along I-275 through Canton, Westland, Wayne and Romulus.

From industrial parks featuring scores of businesses to auto plants in Livonia, Plymouth and Wayne that command 60 cars a day each, to huge warehousing operations like Spartan and Kresge, Chessie claims almost 100 customers in Livonia, Plymouth, Canton and Westland. Adding Romulus and Dearborn, western Wayne County contributed more than $40 million to Chessie's coffers and generated about 80,000 carloads of cargo last year.

LARRY JUDD
More growth

While growth in the future will be ultimately controlled by the availability of land in the area, it is service—being able to handle cargo in a timely fashion—that will determine how fast Chessie expands.

PRICE COMPETITION, like Michigan's lumber industry, is a railroad artifact that has been relegated to the history books because of government regulation—a fate Judd bemoans.

"We can't compete by offering lower rates," Judd said. "The government won't let us. From donuts to thumbtacks they determine the tariff based on weight and distance.

"They even tell us how many cars and what kind to build each year. It's stifling."

The government also regulates labor practices in the railroad industry and forces firms to service areas they otherwise might not.

"We have miles of track in this state that are no good to anyone, but even if there's not enough business to support a track, we have to apply for abandonment if we want to stop serving an area."

In the face of such heavy regulation, the Chessie System markets service—and that means car availability and a promise to customers that their freight will be picked up and delivered on time.

THE DAY has come and gone when railroads will be opening up miles of new mainline track, Judd says. Land is expensive and right-of-ways are hard to get. And there will be no new towns springing up around depots, but Judd quickly dispatches the notion railroads are a dying industry.

"We've seen our heyday," Judd says, "but there's no other way such tonnage can be handled. The government may end up owning the railroads, systems and methods may change, but the railroad is needed."

Locally, Judd points to the auto companies. "They need the railroads. There's no way they could truck everything."

BEFORE THE growth of the auto industry, however, there were hard times.

The Chessie System was not officially in existence, but its forefathers were. Before 1900, there were three major rail systems in Michigan that emerged from the hundreds of logging outfits.

At the turn of the century, they became one—the Pere Marquette, the basis today of Chessie's holdings in Michigan.

As the timber harvests declined so did the railroad. Attempts to revitalize in the early 1900s by expanding north and building resorts met with little success.

In receivership in 1947, the Pere Marquette was bought by the Chesapeake & Ohio.

Today, the Chessie System owns and operates the C&O, the Baltimore & Ohio, and the Western Maryland railroads.

It has majority holdings in, but does not manage, the Chicago South Shore and South Bend Railroad companies.

While Judd attributes the company's present day economic vitality to its willingness to consolidate and pool resources, luck of the draw has also played a major role locally.

As the auto giants have prospered, so has the old Pere Marquette.

AS FOR THE future, the company is already in the second year of a major multimillion dollar track renewal program based on expectations it will attract more customers.

"There's going to be more rail traffic," Judd says. "There'll be more trains, more cars, more industry locating here for years to come.

"We see it every day."

Joe Crawford relaxes before the switchboard at the Plymouth yard. The board keeps exact track of where each train is, preventing them from running into one another "even if the engineers tried." (Staff photo.)

One horsepower a ton of cargo is the rule of thumb for freight-carrying trains. Today's locomotives are powered by diesels that push huge electric generators, producing as much as 3,500 horsepower. (Staff photo.)